

McBRAYER, McGINNIS, LESLIE & KIRKLAND, PLLC
ATTORNEYS-AT-LAW

BENJAMIN L. RIDDLE
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201 East Main Street, Suite 1000
Lexington, Kentucky 40507
(859) 231-8780
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July 21, 2009

RECEIVED

JUL 21 2009

**PUBLIC SERVICE
COMMISSION**

VIA HAND-DELIVERY

Mr. Jeff Derouen
Executive Director
Public Service Commission
211 Sower Boulevard
Frankfort, KY 40602

**RE: In the Matter of: Reinstatement of TeraBlue, Inc. as a Utility to Operate as a
Competitive Local Exchange Carrier Throughout the State of Kentucky
Adm. Case No. 2009-00216**

Dear Mr. Derouen:

Submitted herewith on behalf of TeraBlue, Inc. ("TeraBlue") are an original and ten (10) copies of TeraBlue's Reinstatement to provide utility services as a Competitive Local Exchange Carrier ("CLEC") in the Commonwealth of Kentucky. Also enclosed is TeraBlue's proposed tariff. Tera Blue respectfully requests this tariff to become effective immediately upon its reinstatement

Please acknowledge receipt of this filing by returning, date-stamped, the extra copy of this cover letter in the self-addressed, stamped-envelope that is provided for this purpose. If you should have any questions regarding this matter, please feel free to contact me.

Sincerely,



Benjamin L. Riddle

BLR/rm
Enclosures

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JUL 21 2009

Before the
PUBLIC SERVICE COMMISSION OF KENTUCKY

PUBLIC SERVICE
COMMISSION

IN THE MATTER OF REINSTATEMENT OF)
TERABLUE, INC. AS A UTILITY TO OPERATE)
AS COMPETITIVE LOCAL EXCHANGE)
CARRIER THROUGHOUT THE STATE OF)
KENTUCKY)

No. 2009-00216

TeraBlue, Inc. ("TeraBlue") hereby submits the following information in accordance with the provisions of Administrative Case No. 370 and its proposed tariffs in accordance with 807 KAR 5:011.

1) **The name, street address, telephone and fax numbers of the Corporation:**

TeraBlue, Inc.
167 West Main Street, Suite 102
Lexington, KY 40507
Phone: (859) 514-1800
Fax: (859) 280-3882

2) **Articles of incorporation of partnership agreement:**

A copy of the Articles of Incorporation of TeraBlue is attached as Exhibit A.

3) **Name, street address, telephone and fax numbers (if any) of the responsible contact person for customer complaints and regulatory issues:**

Customer Service Contact:
Sondra Oliver, President
TeraBlue, Inc.
167 West Main Street Suite 102
Lexington, KY 40507
Phone: (859) 595-1136
Fax: (859) 280-3882

Regulatory Issues Contact:
James Risner, Manager
Tera Blue, Inc.
167 West Main Street Suite 102
Lexington, KY 40507
Phone: (859) 514-1800
Fax: (859) 280-3882

4) **A notarized statement by an officer of the utility that the utility has not provided or collected for intrastate service in Kentucky prior to filing the notice of intent or, alternatively, a notarized statement by an officer that the utility has provided intrastate service and that it will refund or credit customer accounts for all monies collected for intrastate service:**

An Offer of Settlement concerning the provision of intrastate service by TeraBlue is attached as Exhibit B.

- 5) A statement that the utility does not seek to provide operator assisted service to traffic aggregators as defined in Administrative Case No. 330 or, alternatively, that the utility does not seek to provide operator-assisted service to traffic aggregators but that in so doing it is complying with the Commission's mandate in Administrative Case No. 330:

TeraBlue does not seek to provide operator assisted service to traffic aggregators as defined in Administrative Case No. 330.

- 6) Proposed Tariff:

TeraBlue's proposed tariff is attached as Exhibit C.

- 7) Sample Bill:

A sample bill is attached as Exhibit D.

WHEREFORE, TeraBlue, Inc requests that the Public Service Commission of the Commonwealth of Kentucky grant it authority to engage as a Competitive Local Exchange Carrier to the public in accordance with applicable laws currently in effect or hereinafter enacted by the Commission.

Respectfully submitted this 21 day of July, 2009.

Tera Blue, Inc.

By: 

Benjamin L. Riddle
McBRAYER, McGINNIS, LESLIE
& KIRKLAND, PLLC
201 East Main Street, Suite 1000
Lexington, Kentucky 40507
(859) 231-8780
ATTORNEY FOR TERA BLUE, INC.

EXHIBITS

Exhibit A Articles of Incorporation

Exhibit B Offer of Settlement

Exhibit C Proposed Tariff

Exhibit D Sample Bill

EXHIBIT A

ARTICLES OF INCORPORATION

OF

TERABLU, INC.

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KNOW ALL MEN BY THESE PRESENTS:

The undersigned does hereby form a corporation under the
Kentucky Business Corporation Act.

ARTICLE I

The name of this corporation is TERABLU, INC.

ARTICLE II

The duration of this corporation shall be perpetual.

ARTICLE III

The purpose and nature of the business which is to be
transacted, promoted and carried on by this corporation is providing
internet and telecommunication services, contract labor and support
personnel, and marketing products, software, hardware and consulting
services and related activities and all other acts which may be legally
transacted in the Commonwealth of Kentucky.

ARTICLE IV

The address of the principal office and the initial registered office
of this corporation is 157 E. Main Street, Lexington, Kentucky 40507.

The name of the initial registered agent is James E. Risner.

ARTICLE V

The private property of the shareholders shall not be subject to the payment of corporate debts to any extent whatsoever.

ARTICLE VI

There shall be one (1) member of the initial board of directors, and thereafter, the number shall be determined by the By-laws. The following named person shall constitute the initial board of directors, and he shall serve until the first annual meeting of shareholders or until his successors are elected and qualified:

James E. Risner
1600 Woodspring Court
Lexington, Kentucky 40515

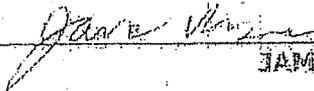
ARTICLE VII

The name and address of the incorporator is James E. Risner, 1600 Woodspring Court, Lexington, Kentucky 40515.

ARTICLE VIII

The total number of shares of stock authorized to be issued shall be one thousand (1,000) shares of no-par value. The voting power of said stock shall be one vote per share.

IN WITNESS WHEREOF, I, the incorporator have hereunto set my
hand this the 12th day January, 2000.


JAMES E. RISNER

STATE OF KENTUCKY
COUNTY OF FAYETTE

The foregoing instrument was acknowledged before me this
12th day of January, 2000 by James E. Risner:


Notary Public, State at Large, Kentucky

My Commission Expires: 6 Nov 2002

This Instrument Prepared By:
Ruth A. Sebastian, Attorney
P. O. Box 8716
Lexington, Kentucky 40533
(506) 226-6071


RUTH A. SEBASTIAN

EXHIBIT B

VERIFIED OFFER OF SETTLEMENT OF TERABLUE, INC.

TeraBlue, Inc. (“TeraBlue”) is a Kentucky corporation and Competitive Local Exchange Carrier which wishes to provide point to point T1 access loops throughout the Commonwealth of Kentucky. The company was initially incorporated to provide similar services on January 12, 2000. TeraBlue, however, did not begin operating as a utility until it was registered in late 2005 and it did not generate any operating revenue for that year. By Order of the Kentucky Public Service Commission (“Commission”) TeraBlue’s name was stricken from the Commission’s list of active utilities on August 13, 2007.

The combination of inexperience and misunderstanding has unfortunately resulted in some gaps in TeraBlue’s compliance with Kentucky’s regulatory requirements since that time. TeraBlue misunderstood the significance of the Commission’s Order and began generating revenue based upon the provision of intrastate telecommunications service in accordance with its previously approved tariff rates in 2008. As a result, TeraBlue has provided intrastate telecommunications service in Kentucky without authority from the Commission.

TeraBlue sincerely regrets that compliance with the Commission’s registration requirements was not properly maintained. Since April of 2009, Tera Blue has been taking steps to remedy its previous missteps and it is TeraBlue’s intention to fully conform to the rules and regulations of the Commission in the future. To that effect, TeraBlue is now engaging in self audits to make sure that it is fully conforming to rules and regulations of the Commission.

Prior to this incident neither TeraBlue nor its principles had ever been the subject of a complaint with or by the Commission and TeraBlue is now voluntarily appearing before the Commission in an effort to resolve any filing deficiencies and to become a company in good standing with the Commission. TeraBlue believes that it is good public policy for the Commonwealth of Kentucky to encourage the entrepreneurial spirit that allows local business owners to compete in the complex telecommunications market. If the Commission chooses to deny TeraBlue the opportunity to cure its previous missteps, it may inadvertently dissuade local competition in the telecommunications market.

TeraBlue also understands that it must accept penalties for the missteps it has made. Therefore, TeraBlue hereby tenders its Offer of Settlement to resolve any unintentional violations with the Commission’s statutes and regulations. TeraBlue offers to make a voluntary payment of One Thousand Five Hundred Dollars (\$1,500.00) to the Commonwealth of Kentucky to settle any and all regulatory deficiencies and to complete its registration as a provider of intrastate telecommunications service in Kentucky.¹

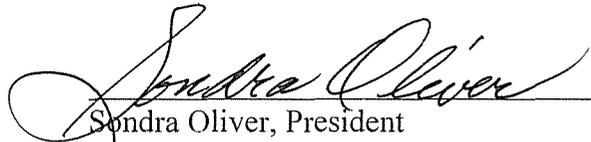
¹ Tera lue failed to generate any Operating Revenues subject to regulation by the PSC prior 2008. Its regulated revenue in 2008 would have been \$58,623.57. Based upon its revenue history, had TeraBlue been properly registered with the PSC, it would have had an outstanding tax obligation of two hundred forty dollars and sixteen cents (\$240.16) which has not been paid. The offer of settlement roughly reflects this outstanding obligation, a one-thousand dollar

Nothing contained herein shall be construed as an admission of a willful violation of any statute or administrative regulation nor shall the Commission's acceptance of this agreement be construed as a finding of a willful violation of any statute or administrative regulation.

VERIFICATION

STATE OF KENTUCKY)
COUNTY OF Fayette) SS:

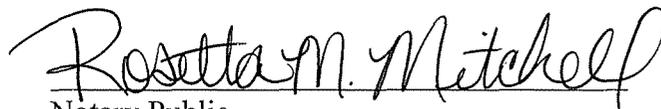
The undersigned, Sondra Oliver, being duly sworn, deposes and says she is the President of TeraBlue, Inc., that she has personal knowledge of the matters set forth above, and the information contained herein is true and correct to the best of her information, knowledge and belief.



Sondra Oliver, President
Tera Blue, Inc.

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 21st day of July, 2009.

(SEAL)



Notary Public

My Commission Expires: 1/22/2010

(\$1,000.00) penalty as provided for in KRS 278.990(3) and a penalty of two hundred and fifty dollars (\$250.00) with interest as required by the final Order in Case No. 2006-00492.

EXHIBIT C

TeraBlue, Inc.
Kentucky Tariff No. 1

Original Sheet No. 1

Local Exchange Telephone Service

TITLE SHEET

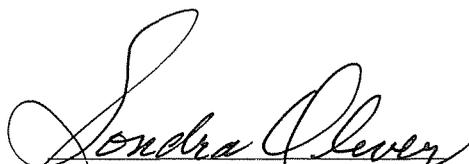
KENTUCKY LOCAL EXCHANGE SERVICES TARIFF
OF
TERABLUE, INC.

167 West Main Street, Suite 102
Lexington, KY 4057
(859) 514-1800

This tariff, filed with the Kentucky Public Service Commission contains the rates, terms, and conditions applicable to Local Exchange Telephone Services within the Commonwealth of Kentucky offered by TeraBlue, Inc.

ISSUED: July 21, 2009

By:


Sondra Oliver, President
TeraBlue, Inc.

EFFECTIVE:

304 Winterberry Drive
Winchester, KY 40391
Telephone: (859) 595-1136

TeraBlue, Inc.
Kentucky Tariff No. 1

Original Sheet No. 2

Local Exchange Telephone Service

CHECK SHEET

All sheets of this tariff are effective as of the date shown at the bottom of the respective sheet(s). Original and revised sheets as named below comprise all changes from the original tariff and are currently in effect as of the date on the bottom of this sheet.

SHEET	REVISION LEVEL
1	Original
2	Original
3	Original
4	Original
5	Original
6	Original
7	Original
8	Original
9	Original
10	Original
11	Original
12	Original
13	Original
14	Original
15	Original
16	Original
17	Original
18	Original
19	Original

ISSUED: July 21, 2009

By:


Sondra Oliver, President
TeraBlue, Inc.

EFFECTIVE:

304 Winterberry Drive
Winchester, KY 40391
Telephone: (859) 595-1136

Local Exchange Telephone Service

TARIFF FORMAT

- A. Page Numbering - Page numbers appear in the upper right hand corner of the page. Pages are numbered sequentially. From time to time new pages may be added to the tariff. When a new page is added between existing pages, a decimal is added to the preceding page number. For example, a new page added between Pages 3 and 4 would be numbered 3.1.
- B. Page Revision Numbers - Revision numbers also appear in the upper-right corner of the Page. These numbers are used to determine the most current page version on file with the Commission. For example, 4th Revised Page 3 cancels 3rd Revised Page 3.
- C. Paragraph Numbering Sequence - Paragraphs are numbered in this tariff. Each level of numbers is subservient to the next higher level. For example,
- 2.
 - 2.1.
 - 2.1.1.
 - 2.1.1.A.
 - 2.1.1.A.1.
 - 2.1.1.A.1.(a)
- D. Check Sheet - When a tariff filing is made with the Commission, an updated Check Sheet accompanies the tariff filing. The Check Sheet lists the pages contained in the tariff, with a cross reference to the current revision number. When new sheets are added, the Check Sheet is changed to reflect the revision. An asterisk (*) designates all revisions made in a given filing. There will be no other symbols used on this sheet if these are the only changes made to it (i.e., the format, etc., remains the same, just revised revision levels on some sheets). The tariff user should refer to the latest Check Sheet to find out if a particular page is the most current on file with the Commission.

ISSUED: July 21, 2009

By:


Sondra Oliver, President
TeraBlue, Inc.

304 Winterberry Drive
Winchester, KY 40391
Telephone: (859) 595-1136

EFFECTIVE:

TeraBlue, Inc.
Kentucky Tariff No. 1

Original Sheet No. 4

Local Exchange Telephone Service

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ISSUED: July 21, 2009

By:



Sondra Oliver, President
TeraBlue, Inc.

304 Winterberry Drive
Winchester, KY 40391
Telephone: (859) 595-1136

EFFECTIVE:

TeraBlue, Inc.
Kentucky Tariff No. 1

Original Sheet No. 5

Local Exchange Telephone Service

APPLICATION OF TARIFF

This tariff contains the regulations and rates applicable to the provision of local exchange service by TeraBlue, Inc. within the state of Kentucky and subject to the jurisdiction of the Kentucky Public Service Commission.

ISSUED: July 21, 2009

By:



Sondra Oliver, President
TeraBlue, Inc.

EFFECTIVE:

304 Winterberry Drive
Winchester, KY 40391
Telephone: (859) 595-1136

TeraBlue, Inc.
Kentucky Tariff No. 1

Original Sheet No. 6

Local Exchange Telephone Service

SECTION 1 – TECHNICAL TERMS AND ABBREVIATIONS

Access Line - An arrangement which connects the customer's location to a switching center or point of presence.

Authorized User - A person, firm, corporation, or any other entity authorized by the Customer to communicate utilizing the Company's service.

Carrier or Company - Whenever user in this tariff, "Carrier" or "Company" refers to TeraBlue, Inc., unless otherwise specified or clearly indicated by the context.

CLEC - A new Local Exchange Carrier authorized under the 1996 Telecommunications Act.

Commission - Kentucky Public Service Commission.

Customer - The person, firm, corporation, or other entity which orders, cancels, amends, or uses service and is responsible for payment of charges and compliance with the Company's tariff.

Exchange Access Line - The serving central office line equipment and all Company plant facilities up to and including the Company provided Standard Network Interface. These facilities are Company provided and maintained and provide access to and from the telecommunications network for message toll service and for local calling appropriate to the tariff user offering selected by the Customer. Exchange access lines are subject to non-recurring charges, as specified in Section 4 of this tariff.

Facilities Based CLEC - A CLEC which had the capability to make use of Unbundled Network Elements of the ILEC or other LEC's to provide services to Customers; usually this involves a significant investment in facilities and technical expertise.

ILEC - The incumbent Local Exchange Carrier.

LEC - Local Exchange Carrier.

Local Exchange Services - Telecommunications services furnished for use by end-users in placing and receiving local telephone calls within local calling areas.

Reseller - A CLEC which offers service to Customer principally by purchasing those services from other Local Exchange Carriers.

ISSUED: July 21, 2009

By:



Sandra Oliver, President
TeraBlue, Inc.

304 Winterberry Drive
Winchester, KY 40391
Telephone: (859) 595-1136

EFFECTIVE:

Local Exchange Telephone Service

Resold Local Exchange Services - A service composed of the resale of exchange access lines and local calling provided by other authorized Local Exchange Carriers, in combination with Company provided usage services, miscellaneous services or interstate/international services.

Station-to-Station Calling - A service whereby the originating End User request the assistance of a Company operator to place or bill the call. Calls billed Collect or to a telephone company issued Calling Card or to an authorized Credit Card are Operator Station Calls unless the call is placed on a Person-to-person basis. Automated Calling Card calls are not Operator Station calls. Calls may be dialed with or without the assistance of a Company operator. Collect calls to coin telephones and transfers of charges to third telephones which are coin telephones will not be accepted.

Person-to-Person Calling - An operator assisted service whereby the person originating the call specifies a particular person to be reached, or a particular station, room number, department, or office to be reached through a PBX attendant. Charges may be billed to the called party, a third number, a credit card, a calling card or designated third party station.

Unbundled Network Elements - Components of the telephone network made available to CLEC's under the 1996 Telecommunication Act.

SECTION 2 – RULES AND REGULATIONS

2.1 Undertaking of the Company

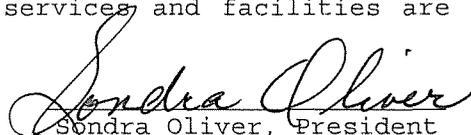
The Company services offered pursuant to this tariff are furnished for Local Exchange Service among specified point within a Local Calling Area. The Company will offer these services over a combination of Unbundled Network Elements, Resold Facilities, and the Company's own Facilities.

The Company installs, operates, and maintains the communications services provided herein in accordance with the terms and conditions set forth under this tariff. The Company may act as the Customer's agent for ordering access connection facilities provided by other carriers or entities as required in the Commission's rules and orders, when authorized by the Customer, to allow connection of a Customer's location to the Company's network. The Customer shall be responsible for all charges due for such service arrangements.

The Company's services and facilities are provided on a monthly

ISSUED: July 21, 2009

By:


Sandra Oliver, President

TeraBlue, Inc.

304 Winterberry Drive

Winchester, KY 40391

Telephone: (859) 595-1136

EFFECTIVE:

basis unless otherwise indicated, and are available twenty-four hours per day, seven days per week.

Local Exchange Telephone Service

2.2 Limitations

2.2.1 Service is offered subject to the availability of the necessary facilities and equipment, and subject to the provisions of this tariff.

2.2.2 The Company reserves the right to discontinue or limit service when necessitated by conditions beyond its control, or when the Customer is using service in violation of the provisions of this tariff, or in violation of the law.

2.2.3 The Company does not undertake to transmit messages, but offers the use of its facilities when available, and will not be liable for errors in transmission or for failure to establish connections.

2.2.4 All facilities provided under this tariff are directly controlled by the Company and the Customer may not transfer or assign the use of service of facilities without the express written consent of the Company. Such transfer or assignment shall only apply where there is no interruption of the use or location of the service of facilities.

2.2.5 Prior written permission from the Company is required before any assignment or transfer. All regulations and conditions contained in this tariff shall apply to any assignee or transferee.

2.3 Use

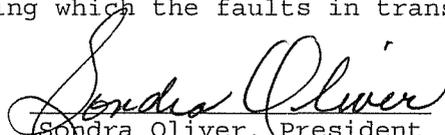
Service provided under this tariff may be used for any lawful purpose for which the service is technically suited.

2.4 Liabilities of the Company

2.4.1 The Company's liability for damages arising out of mistakes, interruptions, omissions, delays, errors, or defects in transmission which occur in the course of furnishing service or facilities, in no event shall exceed an amount equivalent to the proportionate charge to the Customer for the period during which the faults in transmission occur.

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Sondra Oliver, President
TeraBlue, Inc.

EFFECTIVE:

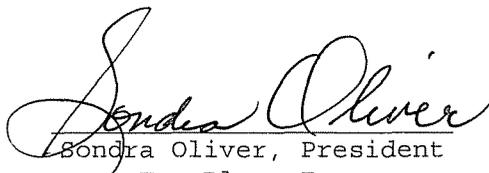
304 Winterberry Drive
Winchester, KY 40391
Telephone: (859) 595-1136

Local Exchange Telephone Service

- 2.4.2 The Company shall not be liable for claim or loss, expense or damage (including indirect, special, or consequential damage), for any interruption, delay, error, omission, or defect in any service, facility, or transmission provided under this tariff, if caused by any person or entity other than the Company, by any malfunction of any service or facility provided by any other carrier, by an act of God, fire, war, civil disturbance, or act of government, or by any other cause beyond the Company's direct control.
- 2.4.3 The Company shall not be liable for, and shall be fully indemnified and held harmless by Customer against any claim or loss, expense, or damage (including indirect, special, or consequential damage) for defamation, libel, slander, invasion, infringement of copy right or patent, unauthorized use of any trade mark, trade name or service mark, unfair competition, interference with or misappropriation or violation of any contract, proprietary or creative right, or any other injury to any person, property, or entity arising out of the material, data, information, or other content revealed to, transmitted, or used by the Company under this tariff, or for any act of omission of the Customer, or for any personal injury or death of any person caused directly or indirectly by the installation, maintenance, location, condition, operation, failure, presence, use of removal of equipment or wiring provided by the Company, if not directly caused by negligence of the Company.
- 2.4.4 No agent or employee of any other carrier shall be deemed to be an agent or employee of the Company.
- 2.4.5 The Company shall not be liable for any defacement or damages to the premises of a Customer resulting from the furnishing of service which is not the direct result of the Company's negligence.

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Sondra Oliver, President
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Local Exchange Telephone Service

2.5 Deposits

The Company may require a Deposit before service is installed. This determination will be based upon routine credit and relationship examination. Should a deposit be required, it will not exceed two months of recurring cost for the services being installed. Any Customer deposits held by the Company shall accrue interest as prescribed in 807 KAR 5:006 Section 7(6).

2.6 Installation

Service is installed upon mutual agreement between the Customer and the Company. The service agreement does not alter rates specified in this tariff.

2.7 Taxes

All state and local taxes (including but not limited to franchise fees, excise tax, sales tax, municipal utilities tax) are listed as separate line items and are not included in the quoted rates.

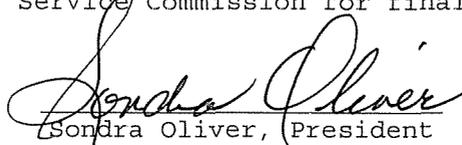
2.8 Payment for Service

The Customer is responsible for payment of all charges for services furnished to the Customer or to an Authorized User of the Customer by the Company. All charges due by the Customer are payable to the Company or to any agency duly authorized to receive such payments. Terms of payment shall be according to the rules and regulations of the agency and subject to the rules of regulatory agencies, such as the Kentucky Public Service Commission.

The Company's billing invoices will be considered correct and binding upon the Customer if no notice is received from the Customer within forty-five (45) days of the date of the invoice. Billing inquiries may be made in writing, in person, by email, or by telephone. Adjustments to Customer's bills shall be made to the extent circumstances exist which reasonably indicate that such changes are appropriate. Upon receipt of a billing inquiry, charges involved in the disputed element(s) of the invoice will be temporarily suspended pending resolution of the dispute. The Customer, however, remains responsible for the timely payment of the non-disputed elements of the invoice. If a Customer is not satisfied with the Company's response to an inquiry or request for credit, he or she may appeal to the Kentucky Public Service Commission for final resolution.

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Sondra Oliver, President
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Local Exchange Telephone Service

2.9 Late Payment Charge

The Company will assess a 10% charge/month for late payment (or \$10 whichever is greater) on unpaid balances. A payment is considered late as of the 1st day of the month following the month in which the Customer is invoiced (or 28 days from the date of the Invoice, whichever is greater). No late fees shall be assessed on late payment penalties - only services. Payments shall be applied 1st to unpaid balances, 2nd to unpaid late fees.

2.10 Terms

Service is offered on a one year automatically renewing term basis.

2.11 Cancellation by Customer

Customer may cancel service by providing 30 day written or oral notice to the Company. Failure to provide notice will result in the recurring fee for the following month being assessed to Customer.

2.12 Cancellation Fees

Early cancellation shall incur a fee equal to 50% of remaining payments.

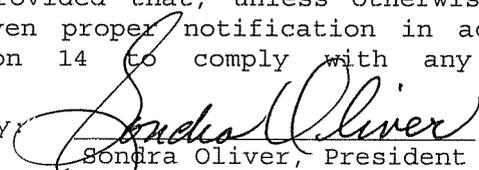
2.13 Interconnection

Service furnished by the Company may be connected with the service of facilities of other carriers or enhanced service providers. The Customer is responsible for all charges billed by these entities for use in connection with the Company's service. Any special interface equipment of facilities necessary to achieve compatibility between these entities is the responsibility of the Customer. Neither the Company nor any connecting carrier participating in a service shall be liable for any act or omission of any other company or companies furnishing a portion of such service.

2.14 Refusal or Discontinuance by Company

The Company may refuse or discontinue service under the following conditions provided that, unless otherwise stated, the Customer shall be given proper notification in accordance with 807 KAR 5:006 Section 14 to comply with any rule or remedy and

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Sondra Oliver, President
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EFFECTIVE:

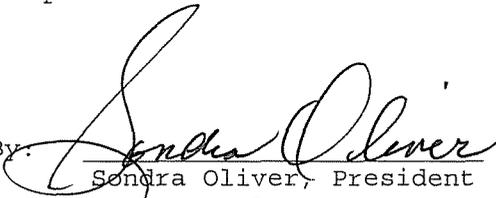
deficiency:

Local Exchange Telephone Service

- 2.14.1 For non-compliance with or violation of any State, municipal, or Federal law, ordinance or regulation pertaining to telephone service.
- 2.14.2 For use of telephone service for any other property or purpose than that described in the application.
- 2.14.3 For neglect or refusal to provide reasonable access to the Company or its agents for the purpose of inspection and maintenance of equipment owned by the Company or its agents.
- 2.14.4 For non-compliance with or violation of Commission regulation or the Company's rules and regulations on file with the Commission, provided ten days written notice is give before termination.
- 2.14.5 For non-payment of bills, including bills for any of the Company's other communication services, provided that suspension or termination of service shall not be made without seven days written notice to the Customer, except in extreme cases.
- 2.14.6 Without notice in the event of Customer or Authorized User use of equipment in such a manner as to adversely affect the Company's service to others. Within twenty-four (24) hours after such termination, the utility shall send written notification to the customer of the reasons for termination or refusal of service upon which the utility relies, and of the customer's right to challenge the termination by filing a formal complaint with the Commission.
- 2.14.7 Without notice in the event of tampering with the equipment or services owned by the Company or its agents. Within twenty-four (24) hours after such termination, the utility shall send written notification to the customer of the reasons for termination or refusal of service upon which the utility relies, and of the customer's right to challenge the termination by filing a formal complaint with the commission.

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By:


Sondra Oliver, President
TeraBlue, Inc.

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Winchester, KY 40391
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EFFECTIVE:

Local Exchange Telephone Service

2.14.8 Without notice in the event of unauthorized or fraudulent use of service. Whenever service is discontinued for fraudulent use of service, the Company may, before restoring service, require the Customer to make, at his or her own expense, all changes in facilities or equipment necessary to eliminate illegal use and to pay an amount reasonably estimated as the loss in revenues resulting from such fraudulent use. Within twenty-four (24) hours after such termination, the utility shall send written notification to the customer of the reasons for termination or refusal of service upon which the utility relies, and of the customer's right to challenge the termination by filing a formal complaint with the Commission.

2.14.9 Without notice by reason for any order or decision of a court or other government authority having jurisdiction which prohibits Company from furnishing such services.

2.15 Inspection, Testing, and Adjustments

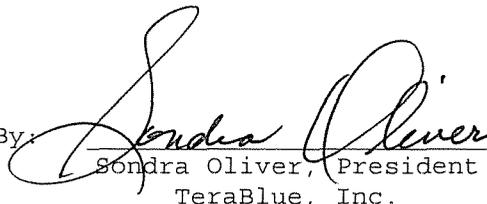
Upon reasonable notice the facilities provided by the Company shall be made available to the Company for tests and adjustments as may be deemed necessary by the Company for maintenance. No interruption allowance will be granted for the time during which such tests and adjustment are made.

2.16 Tests, Pilots, Promotional Campaigns and Contests

The Company may conduct special tests or pilot programs and promotions at its discretion to demonstrate the ease of use, quality of service and to promote the sale of its services. The Company may also waive a portion or all processing fees or installation fees for winners of contests and other occasional promotional events sponsored or endorsed by the Company. From time to time, the Company may waive all processing fees for a Customer. The Company will notify the Commission regarding specific promotions and contests.

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2.17 Interruption of Service

Credit allowances for interruptions of service which are not due to the Company's testing or adjusting, to the negligence of the Customer, or to the failure of channels, equipment or communications Systems provided by the Customer, are subject to a general liability provisions set forth in Section 2.4 herein. It shall be the obligation of the Customer to notify the Company immediately of any interruption in service for which a credit allowance is desired by Customer. Before giving such notice, Customer shall ascertain that the trouble is not within his or her control, or is not in wiring or equipment, if any, furnished by Customer and connected to Company's terminal. Interruptions caused by Customer provided or Company provided automatic dialing equipment are not deemed an interruption of service as defined herein since the Customer has the option of using the long distance network via local exchange company access.

2.18 Cost of Collection and Repair

The Customer is responsible for any and all costs incurred in the collection of monies due the Carrier including account expenses. Customer is also responsible for recovery costs of Carrier provided equipment and any expenses required for repair or replacement of damaged equipment.

2.19 Returned Check Charges

A fee of \$25.00 may be charged for each check returned for insufficient funds.

2.20 Service Implementation

Absent a promotional offering, service implementation charges of \$10.00 per service order will apply to new service orders or to orders to change existing service after initial installation.

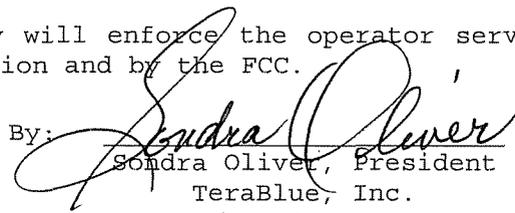
2.21 Reconnection Charge

The Company will charge a reconnection fee as set forth in this tariff.

2.22 Operator Service Rules

The Company will enforce the operator service rules specified by the Commission and by the FCC.

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2.23 Access to Telephone Relay Services

Where required by the Commission, the Company will participate in telephone relay service for handicapped and/or hearing impaired end users, and will comply with all regulations and requirements. The Company shall impose any monthly surcharge or any other related charge upon its local exchange telecommunications subscribers as may be required by state law.

2.24 Access to Carrier of Choice

End users of the Company's local service shall have the right to select the inter-exchange telecommunications service provider (IC) of their choice. The IC should request confirmations/verifications of choice from its customers no later than the date of submission of its first bill to the customer. The Company should maintain signed letters of agency or confirmations of choice on file for use in dispute resolution.

2.25 Directory Listings

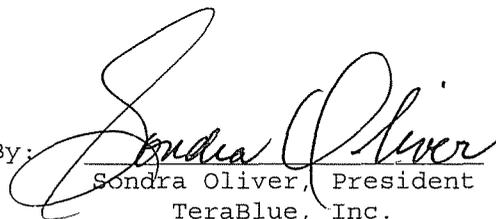
2.25.1 The Company does not publish a directory of subscriber listings. The Company, however, does arrange for the Customer's main billing number to be placed in the directory or directories of the dominant local exchange carrier.

2.25.2 The rates and regulation specified herein for directory listings apply only to the alphabetical section of the directory. Listings are intended solely for the purpose of identifying subscriber's telephone number and as an aid to the use of telephone service.

2.25.3 The listings of subscribers, either without charge or at the rate specified within this tariff for other listings are arranged alphabetically and are not intended for special prominence of arrangement. In accepting listings as requested by subscribers or prospective subscribers, the Company will not be a party to controversies between subscribers as result of publication of such listings in the directories.

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- 2.25.4 The Listings must conform to the Company's specifications with respect to the directories. The Company reserves the right to reject listings when in, its sole judgment, such listings would violate the integrity of company records and the directories, confuse individuals using the directory, or when the customer cannot provide satisfactory evidence that he is authorized to do business as requested.
- 2.25.5 The Company reserves the right to limit the length of any listing to one line in the directly by use of abbreviations when, in its sole judgment, the clearness of the listing and the identification of the subscriber is not impaired.
- 2.25.6 Generally, the listed address is the location of the Customer's business or residence.
- 2.26 **Universal Emergency Telephone Number Service (911, E911)**
- 2.26.1 This tariff does not provide for the inspection or constant monitoring of facilities to discover errors, defects, or malfunction in the service, nor does the Company undertake such responsibility.
- 2.26.2 911 information consisting of the names, addresses, and telephone numbers of all telephone customers is confidential. The Company will release such information via the Data Management System only after a 911 call has been received, on a call by call basis, and only for the purpose of responding to an emergency call in progress.
- 2.26.3 The 911 calling party, by dialing 911, waives the privacy afforded by non-listed and non-published service to the extent that the telephone number, name, and address associated with the originating station location are furnished to the Public Safety Answering Point.

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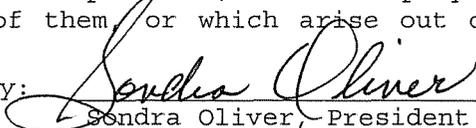
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2.26.4 After the establishment of service, it is the Public Safety Agency's responsibility to continue to verify the accuracy of and to advise the Company of any changes as they occur in street names, establishment of new streets, changes in address numbers used on existing streets, closing and abandonment of streets, changes in police, fire, ambulance or other appropriate agencies' jurisdiction over any address, annexations and other changes in municipal and county boundaries, incorporation of new cities or any other similar matter that may affect the routing of 911 calls to the proper Public Safety Answering Point.

2.26.5 The Company assumes no liability for any infringement, or invitation of any right of privacy of any person or person caused, or claimed to be caused, directly or indirectly by the use of 911 Service. Under the terms of this tariff, the Public Safety Agency must agree, (except where the events, incidents, or eventualities set forth in this sentence are the result of the Company's gross negligence or willful misconduct), to release, indemnify, defend and hold harmless the Company from any and all losses or claims whatsoever, whether suffered, made, instituted, or asserted by the Public Safety Agency or by any other party or person, for any personal injury to or death of any person or persons, or for any loss, damage, or destruction of any property, whether owned by the customer or others. Under the terms of this tariff, the Public Safety Agency must also agree to release, indemnify, defend and hold harmless the Company for any infringement or invasion of the right of privacy of any person or persons, caused or claimed to have been caused, directly or indirectly, by the installation, operation, failure to operate, maintenance, removal, presence, condition, occasion, or use of 911 Service features and the equipment associated therewith, or by any services furnished by the Company in connection therewith, including, but not limited to, the identification of the telephone number, address, or name associated with the telephone used by the party or parties accessing 911 Service hereunder, and which arise out of negligence other wrongful act of the Public Safety Agency, its users, agencies, or municipalities, or the employees or agents of any one of them or which arise out of the negligence, other

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than gross negligence or willful misconduct, of the
Company, its employees or agents.
Local Exchange Telephone Service

SECTION 3 – DESCRIPTION OF SERVICE

3.1 Local Service Area

The Company will provide point to point T1 (1.544 MHz) access loops in Fayette county and throughout the state of Kentucky.

3.2 Product Descriptions

3.2.1 Point to Point Access Loop. The company provides point to point T1 (1.544 MHz) access loops throughout the state of Kentucky.

3.3 Lifeline Support Charges

A monthly charge of \$0.08 per line per month.

3.4 TRS/TDD Service

A monthly charge of \$0.10 per line per month.

SECTION 4 – RATES

4.1 Point to Point Access Loop.

4.1.1 Monthly Charge

Within Fayette County and the state of Kentucky:
\$750/month

4.1.2 Installation Charge

\$595/loop within the state of Kentucky.

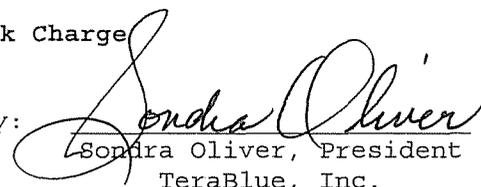
4.2 Late Fees

A 10% charge per month for late payment (or \$10.00 per month, whichever is greater). No late fees on unpaid late fees. Late fee is assessed each month on unpaid balance, not including unpaid late fees. Payments are applied toward unpaid balances before late fees.

4.3 Returned Check Charge

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\$25.00 per check

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4.4 Reconnection Charge

\$100.00 per circuit or loop.

4.5 Early Cancellation Fees

Services canceled by Customer, or terminated by Company, before the end of the Term shall be billed 50% of the amount which would have been billed if the service had remained for the full Term.

SECTION 5 – BILLING CONTENTS

5.1 Billing Contents

The Company's customer bills contain the following information:

1. Name and address of the Company
Address for Correspondence
Address for Remittance
2. Customer Service/Billing Inquiry telephone number.
3. Toll Free Number
4. Name and Address of Customer
5. Bill Date
6. All Account Numbers
7. Invoice Number
8. Summary of charges
9. Detail of Charges (including taxes)
10. Due Date

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EXHIBIT D

